

**NATIONAL RAILROAD PASSENGER CORPORATION**

**BOARD OF DIRECTORS**

**MINUTES OF MEETING**

**JANUARY 25, 2018**

The Board of Directors of the National Railroad Passenger Corporation (Amtrak) met in the Board Room of the Corporation's headquarters located at 1 Massachusetts Ave., N.W., in Washington, D.C. on Thursday, January 25, 2018.

Board Members participating in the meeting were Anthony Coscia (Board Chairman), Richard Anderson (President & CEO, non-voting), Christopher Beall, Yvonne Burke, Thomas Carper, Albert DiClemente, Derek Kan (Undersecretary for Policy, U.S. Department of Transportation) and Jeffrey Moreland (Board Vice Chairman).

Paul Nissenbaum (FRA Associate Administrator) participated in the meeting.

Eleanor D. Acheson (Executive Vice President, Chief Legal Officer, General Counsel & Corporate Secretary), William N. Feidt (Executive Vice President, Chief Financial Officer), Stephen Gardner (Executive Vice President, Chief Commercial Officer), J. Timothy Griffin (Executive Vice President, Chief Marketing & Business Development Officer), Ken Hylander (Executive Vice President, Chief Safety Officer), Scot Naparstek (Executive Vice President, Chief Operating Officer), and D.J. Stadtler (Executive Vice President, Chief Administration Officer) participated in the meeting.

Phil A. Hancock (Senior Assistant Corporate Secretary) and Darien Flowers (Special Assistant to the Undersecretary for Policy, U.S. Department of Transportation) attended the meeting.

Chairman Coscia chaired the meeting and called it to order at 7:35 a.m. The minutes were recorded by Ms. Acheson and Mr. Hancock.

### OPERATIONS REPORT

Mr. Naparstek provided the operations report. He outlined Amtrak's operations performance, customer service performance, major operating rules violations, system safety, engineering production and on-time performance (OTP). A discussion ensued regarding the decline in OTP across the network. Mr. Naparstek pointed out that senior Operations staff and the CEO have been meeting weekly to discuss OTP improvements and that managers are working to reduce Amtrak-responsible and Amtrak-as-Host delays with a concentration on Initial Terminal Performance. The Board reviewed the details of the operations report and Mr. Naparstek and Mr. Anderson responded to questions.

### MARKETING & COMMERCIAL REPORT

Mr. Griffin provided the Marketing Report, beginning with a summary of the December 2017 revenue results. He reported that December ticket revenue was \$2.8 million short of budget and that revenue was \$3.1 million short of budget for the quarter. Mr. Griffin discussed December 2017 ridership, he said that Amtrak's system-wide ridership of 2.68 million was -1.1% versus budget but +0.3% percent compared to last year. Mr. Griffin walked the Board through seat miles, passenger miles, load factors, and customer satisfaction trends. He pointed out that the year-over-year decrease in eCSI continued in December for all service lines.

Mr. Feidt pointed to work with on-board Wi-Fi service providers Icomera and Nomad (a subsidiary of Alstom) to make connectivity improvements on the Acela Express and Northeast Regional train services. He said that some of the short-term fixes to the equipment should be in place within the next 90 days and that there should be noticeable improvements to on-board Wi-Fi connections.

Mr. Gardner provided the Commercial Report. He discussed on-board announcement changes, the "FindYourWay" in Penn Station mobile application, seat reservations, station and onboard service standard, and point of sale systems and initiatives to address declining eCSI scores.

The Board reviewed the Marketing & Commercial report and Mr. Griffin, Mr. Gardner, and Mr. Anderson responded to questions.

#### FINANCE REPORT

Mr. Feidt provided the Finance Report. Starting with the adjusted operating earnings, he said that excluding STI for YTD December FY18, Amtrak recorded a loss of -\$51 million which was -\$59 million unfavorable to plan and a -\$27.2 million decrease from the prior year. He added that excluding the one-time impacts of Train 501 and the Voluntary Separation Incentive Program (VSIP), YTD results are unfavorable to plan by -\$17.4 million and \$14.4 million better than the prior year. Mr. Feidt discussed the January FY18 estimated adjusted operating earnings forecast. Mr. Feidt said that excluding STI, the forecast is -\$222.3 million and is expected to miss plan by -\$57.3 million primarily because of Train 501 and fuel expenses. He noted that the full year impact of the VSIP would be offset by salary savings. Regarding the YTD Capital spend, Mr. Feidt reported that Capital remains below planned spending at \$265.4 million and that both Federal Capital and Third Party categories were below plan because projects were still in the beginning stages and would continue to ramp up as the year continues. Mr. Feidt discussed the Corporation's cash balance. He said that the ending cash balance for December was \$1.101.7 million, a \$116.7 million increase over the prior month. The Board reviewed the details of the finance report and Mr. Feidt responded to questions.

At 9:30 a.m., the Board took a brief break.

At 9:45 a.m., Chairman Coscia reconvened the meeting.

#### FIVE-YEAR SERVICE LINE PLANS AND FY19 LEGISLATIVE & GRANT REQUEST

Mr. Gardner provided the Board with an overview of the proposed FY19-FY23 Five-Year Service Line Plans and FY19 Legislative & Grant

Request. He said that the FAST Act requires Amtrak to undertake five-year service line plans to describe key strategies, initiatives, and other steps the company intends to undertake to improve the business, enhance the customer experience, and invest in the future. Mr. Gardner explained that under the FAST Act requirements, Amtrak must establish these plans for each of the individual service lines: Northeast Corridor Services, State Supported Services, Long Distance Services, Infrastructure Access, and Ancillary Services. A discussion ensued regarding the future of the Long Distance network and the fleet. The Board reviewed the details of the plans and Mr. Gardner and Mr. Anderson responded to questions. After the discussion, Mr. Gardner said that upon the Board's approval and receipt of final comments, the plans would become public documents and would be submitted to Congress some time in February 2018. After additional discussion, upon motion made by Mr. Carper and seconded by Ms. Burke, the Board voted to approve the following the following resolutions:

**RESOLUTIONS AUTHORIZING  
THE SUBMISSION OF FAST ACT SERVICE LINE PLANS**

**WHEREAS**, Management is required to present the Corporation's strategic plans to the Board of Directors for approval pursuant to the delegations and reservations of authority regarding strategic plans; and

**WHEREAS**, Section 11203(b) of the Fixing America's Surface Transportation (FAST) Act, codified at 49 U.S.C. § 24320(b), requires the establishment of five-year plans for each of the Corporation's lines of business; and

**WHEREAS**, The Board of Directors has reviewed the proposed FY 2019-FY 2023 Five-Year Service Line Plans; therefore, be it

**RESOLVED**, That the Board of Directors approves the proposed FY 2019- FY2023 Five-Year Service Line Plans; and

**FURTHER RESOLVED**, That the Board of Directors discussed in detail the proposed drafts of the FY 2019-FY 2023 Five-Year Service Line Plans and expressed support for the principles and details set forth in the drafts and authorized the

Chairman of the Board of Directors and the President & CEO to finalize the documents and submit them as required.

(6-0-1) (Mr. Kan abstained.)

**RESOLUTIONS APPROVING  
FY19 LEGISLATIVE AND GRANT REQUEST**

**WHEREAS**, Management is required to present the Annual Legislative and Grant Request to the Board of Directors for approval; and

**WHEREAS**, The Board of Directors has reviewed the proposed FY 2019 Legislative and Grant Request; therefore, be it

**RESOLVED**, That the Board of Directors approves the proposed FY 2019 Legislative Grant Request; and

**FURTHER RESOLVED**, That the Board of Directors discussed in detail the proposed draft of the FY 2019 Legislative Grant Request and expressed support for the principles and details set forth in the drafts and authorized the Chairman of the Board and the President & CEO to finalize the documents and submit them as required.

(6-0-1) (Mr. Kan abstained.)

**LABOR RELATIONS REPORT**

Mr. Stadtler and Mr. Anderson provided the Board with a Labor Relations update.

**TALENT ACQUISITION REPORT**

Mr. Stadtler briefed the Board on Amtrak's Talent Acquisition function and hiring results from 2017. He said that the function experienced a headcount reduction of 23%, which maintains a total headcount of 32 in 2017 compared to 42 in 2016. He added that with the new structure, the group has a renewed focus on continuous improvement, standardizing the Talent Acquisition process, better management of employee productivity and the overall effectiveness of the group. A discussion ensued regarding diversity hiring, and Mr. Stadtler and Mr. Anderson responded to questions.

At 11:20 a.m., the Board took a brief break.

At 11:30 a.m., the Board convened in Executive Session with Mr. Anderson.

**EXECUTIVE SESSION**

**RESERVATION AND DELEGATIONS OF AUTHORITY**

Mr. Anderson presented the Board with resolutions adopting a revised Board Reservations and Delegations of Authority matrix. After discussion, upon a motion made by Mr. Beall and seconded by Mr. DiClemente, the Board adopted the following resolutions:

**RESOLUTIONS WITH RESPECT TO  
RESERVATIONS AND DELEGATIONS OF AUTHORITY**

**WHEREAS**, the Board of Directors (the "**Board**") of National Railroad Passenger Corporation (the "**Company**") adopted the Board Reservations and Delegations of Authority Matrix on 12/8/2016 (the "**Matrix**"); and

**WHEREAS**, Company Management, directed by the Board, has undertaken a review and updating of the Matrix and presented to the Board a proposed superseding restatement of the Matrix, in the form of the Corporate Governance Policy (the "**Policy**"), attached hereto as Exhibit A; and

**WHEREAS**, the Board has reviewed the Policy and determined that it is appropriate and in the best interests of the Company to adopt the Policy and to have the Policy supersede the Matrix; therefore, be it

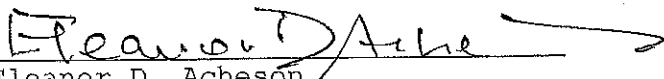
**RESOLVED**, That the Board hereby approves and adopts the Policy to supersede the Matrix; and


**RESOLVED**, That the Officers of the Company be, and each of them hereby is, authorized and empowered to do or cause to be done all such further acts and things, including the execution of all such further agreements, documents, certificates, instruments and undertakings, and any amendments thereto, as they may deem necessary or appropriate in order to carry into effect the purposes and intent of the foregoing resolutions.

At 11:55 a.m., Mr. Anderson left the meeting and the Board continued to meet in Executive Session.

ADJOURNMENT

There being no further business before the Board, the meeting adjourned at 12:15 p.m.

  
Eleanor D. Acheson  
Corporate Secretary

  
Phil A. Hancock  
Senior Assistant Corporate Secretary